



**LOS ANGELES COUNTY ASSESSOR**  
500 WEST TEMPLE STREET  
LOS ANGELES, CALIFORNIA 90012-2770  
*assessor.lacounty.gov*  
1.888.807.2111



**SANTOS H. KREIMANN**  
CHIEF DEPUTY ASSESSOR

**GEORGE RENKEI**  
ASSISTANT ASSESSOR

**SHARON MOLLER**  
ASSISTANT ASSESSOR

March 13, 2013

Ms. Sherrie Kinkle  
State Board of Equalization  
Property and Special Taxes Department  
P.O. Box 942879  
Sacramento, California 94279-0064

Dear Ms. Kinkle:

**LETTER TO ASSESSOR (LTA) 2013/016  
ASSESSORS' HANDBOOK SECTION 506,  
PROPERTY TAX AUDITS & AUDIT PROGRAM**

As requested in the above referenced Letter to Assessor (LTA) 2013/016, our office has reviewed the Assessors' Handbook (AH) 506, *Property Tax Audits and Audit Program* draft. For your consideration, Los Angeles County's comments and suggestions are enclosed in the attached file.

If you have any questions, please contact Laura Winslow at [Lwinslow@assessor.lacounty.gov](mailto:Lwinslow@assessor.lacounty.gov) or 213.974.9209.

Sincerely,

A handwritten signature in blue ink, appearing to read "Dale Hough".

Dale Hough  
Chief Appraiser  
Assessment Services

DH:CA:ca

Attachment

c: Santos Kreimann, Chief Deputy Assessor  
Richard Benson, CAA Standards Chair  
File - Appraisal Standards Section

### Proposed Changes/Suggestions to AH506

Link to Draft: <http://www.boe.ca.gov/proptaxes/pdf/Ita13016.pdf>

Page No.	Line No.	According to Draft	Proposed Change/Suggestion
8	4	"and gather information for <del>all counties who have audit accounts there.</del> "	Replace with "for all participating counties".
10	4	"audited once every four years, and taxpayers selected from. . ."	Correct spelling of "assessee".
	24	". . . identification of when the taxpayers. . ."	Replace with "taxpayer"(singular).
	30	"need to send out waiver request. . ."	Insert "a" between send out and waiver
11	1	"Date Audits Completed."	Replace with "Date Completed" or "Completion Date". Refer to page 10 line 32, ". . .in conjunction with the Date Completed field (number 10 below). . ."
13	36	"improvement costs in <del>the</del> Schedule B. . ."	Delete "the".
	37	"the real property may uncover other . . ."	Insert "section" between property and may.

Page No.	Line No.	According to Draft	Proposed Change/Suggestion
32	29	"determine the proper trade level and If the property cost reported."	Delete "property" and add if all components of cost were included.
44	25	"permitted to make value <del>corrects</del> to personal. . ."	Change to "correction".
55	5	"Form BOE 305-AH, Application for Changed Assessment, is the form that must be used for an appeal to be considered a valid finding."	In Los Angeles County, the form is AAB100. Replace "finding" with "filing".
57		R & T Code Section 532 Statute of Limitations. "Eight-year statute of limitations where 25 percent penalty applies."	The code starts with a four-year limitation before the eight-year limitation. Order should be followed.
58		R & T Code Section 1045 Administration of Annual Racehorse Tax. ". . .gross tax liability that exceeds \$2,000 for each of four consecutive calendar years."  Some printed copies show gaps between letters of a few words, i.e., A ny in Section 4831.	Replace with \$4,000 (before addition of any penalties).

Page No.	Line No.	According to Draft	Proposed Change/Suggestion
59		Appendix B: Inconsistent use of a comma to separate numbers	Be consistent with use of commas: see Los Angeles, Orange, San Diego, Santa Clara
61	17	3. <i>Continue listing all of the records that the . .</i>	Should be in parentheses. "3." Should be deleted.
63	5	Appendix E: Sample Audit Checklist	Add Market value calculations or Trend sheets right under PROPERTY STATEMENTS
	7	Records Examined	Add <ol style="list-style-type: none"> <li>1. Capitalization Policy</li> <li>2. Description of Leasehold Improvements</li> <li>3. Fixed Asset Schedule showing Description of assets, year of acquisition and cost</li> </ol> Delete "Property Ledger".
65	2	5. PROPERTY BELONGING TO OTHERS	Add 5.1 "Does the company have any government-owned property?" If yes, was it properly reported on the

Page No.	Line No.	According to Draft	Proposed Change/Suggestion
			property statement?
			Differentiate between personal property, structure and fixture. Request a copy of the contract between government agency and assessee.
68		7. BUILDING, LAND AND LEASHOLD IMPROVEMENTS	Add K. Do you have government-owned fixtures?
69			Add Appendix F: Waiver Sample should be included. Sample attached.



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AREA: \_\_\_\_\_

**MUTUAL AGREEMENT  
WAIVER OF STATUTE OF LIMITATIONS  
(PERSONAL PROPERTY)**

Revenue and Taxation Code, Sections 532, 532.1, 502, 504, 2635, 5096, 5097  
Code of Civil Procedure, Section 360.5

The Los Angeles County Assessor is engaged in or contemplating an audit, assessment, escape assessment or reassessment of all assessable personal property and/or fixtures owned, claimed, possessed, or controlled by the undersigned taxpayer and its affiliates, located in the County of Los Angeles, on the lien date January 1, <yr>

Section 532 of the Revenue and Taxation (R&T) Code specifies a statutory limit for the assessment of property that has escaped taxation or was under-assessed. Subdivision (a) requires the assessment within four years after July 1 of the assessment year for property that has escaped taxation or was under-assessed. Subdivision (b) requires the assessment within eight years after July 1 of the assessment year, if the penalty pursuant to Section 504 must be added to the assessment that has escaped taxation or was under-assessed. The statute of limitations on the property will expire on July 1, <yr>

If an audit or reassessment should indicate that the taxpayer may be entitled to a refund, Revenue and Taxation Code Section 5097 provides that the taxpayer must file a verified claim within four years after making the payment sought to be refunded or within one year after the mailing of the notice prescribed by Revenue and Taxation Code Section 2635, or the period agreed to as provided in Section 532.1, whichever is later.

In mutual consideration of their respective forbearances to enforce against the other during the agreed period, the limitations and conditions of Sections 532 and 5097, the taxpayer and the Assessor hereby agree to waive all rights and privileges conferred by said sections until subject to the limitations of Code of Civil Procedure Section 360.5.

Dated: \_\_\_\_\_

Santos H. Kreimann, Chief Deputy Assessor

\_\_\_\_\_  
Taxpayer's Name  
  
By \_\_\_\_\_  
(Signature of Taxpayer or Authorized Agent)  
\_\_\_\_\_  
(Name of Taxpayer or Authorized Agent - Printed or Typed)  
\_\_\_\_\_  
(Title)  
\_\_\_\_\_  
(Telephone Number)

By \_\_\_\_\_  
(Principal Appraiser's Signature)  
\_\_\_\_\_  
(Principal Appraiser's Name - Printed or Typed)  
\_\_\_\_\_  
(Telephone Number)

"Valuing People and Property"